

IC 20-12-6

Chapter 6. Acquisition and Construction of Property

IC 20-12-6-1

Authority to acquire, construct, repair, or enlarge school facilities

Sec. 1. The trustees of Indiana University, the trustees of Purdue University, the Ball State University board of trustees, the Indiana State University board of trustees, the board of trustees for Vincennes University, the University of Southern Indiana board of trustees, and the trustees of Ivy Tech State College (sometimes referred to in this chapter collectively as "corporations" or respectively as "corporation") are respectively authorized, from time to time as they find the necessity exists, to acquire, erect, construct, reconstruct, improve, rehabilitate, remodel, repair, complete, extend, enlarge, equip, furnish, and operate:

- (1) any buildings, structures, improvements, or facilities;
- (2) any utilities, other services, and appurtenances related to an item described in subdivision (1) (including, but not limited to, facilities for the production and transmission of heat, light, water and power, sewage disposal facilities, streets and walks, and parking facilities); and
- (3) the land required for items described in subdivision (1) or (2);

as the governing boards of the corporations from time to time deem necessary for carrying on the educational research, the public service programs, or the statutory responsibilities of the educational institutions and various divisions of the institutions under the jurisdiction of the corporations respectively, or for the management, operation, or servicing of the institutions, (the buildings, structures, improvements, facilities, utilities, services, appurtenances, and land being sometimes referred to in this chapter collectively as "building facilities" or respectively as "building facility"). The building facilities may be located at any place within Indiana at which the governing board of the corporation determines the need exists for the building facilities.

(Formerly: Acts 1965, c.221, s.1; Acts 1971, P.L.330, SEC.1.) As amended by P.L.18-1983, SEC.4; P.L.218-1985, SEC.8; P.L.5-1995, SEC.13.

IC 20-12-6-1.2

Authority to acquire equipment; insurance coverage; definitions

Sec. 1.2. (a) In addition to the powers set forth in section 1 of this chapter, the corporations may:

- (1) acquire, erect, construct, reconstruct, improve, rehabilitate, remodel, repair, complete, extend, enlarge, furnish, and operate any equipment that the governing boards of the corporations consider necessary for:
 - (A) carrying on the educational research or public service programs or discharging the statutory responsibilities of the educational institutions and their various divisions; or

- (B) the management, operation, or servicing of the institutions; and
 - (2) establish liability or other loss insurance reserves or contribute those reserves or other capital to a risk retention group for the purpose of providing insurance coverage against liability claims.
- (b) As used in this chapter:
- (1) "building facility" includes equipment;
 - (2) "liability or other loss insurance reserves" means a fund set aside as a reserve to cover risk retained by the corporation in connection with liability claims or other losses;
 - (3) "risk retention group" means a trust, pool, corporation, partnership, or joint venture funded by and owned and operated for the benefit of more than one (1) eligible member;
 - (4) "eligible members" includes the corporations and all private institutions of higher education (as defined in IC 20-12-63-3); and
 - (5) "liability" means legal liability for damages (including costs of defense, legal costs and fees, and other claims expenses) because of injuries to other persons or entities, damage to their property or business, or other damage or loss to those persons or entities resulting from or arising out of any activity of any eligible member.

As added by P.L.16-1985, SEC.2. Amended by P.L.233-1987, SEC.1.

IC 20-12-6-2

Authority to acquire real and personal property; methods of acquisition

Sec. 2. (a) The corporations shall be authorized and empowered to acquire, under this or any other applicable law, by purchase (for cash or on contract), lease or sublease for such period of time not exceeding forty (40) years as the respective governing boards may approve, condemnation, trade or exchange, gift, devise, bequest, or otherwise, and to improve, such real property (improved or unimproved) and such personal property, as the governing boards of the corporations deem necessary for the purposes set forth in section 1 of this chapter, all on such terms and conditions and subject to such liens and encumbrances as the governing boards may approve.

(b) Except as otherwise provided in section 9 of this chapter, title to all property acquired, including the improvements thereon, shall be taken and held by and in the name of the respective corporations, in their corporate capacities, for the purposes of this chapter. The corporations shall be authorized and empowered to use for such purposes any real or personal property acquired before or after March 10, 1965, or available on or after March 10, 1965, to the corporations, including real estate (improved or unimproved) the title to which on or after March 10, 1965, may be in the name of the state of Indiana for the use and benefit of the corporations or the educational institutions under their control.

(c) Any lessor leasing fifty percent (50%) or more of a building

facility or building facilities to a corporation or to corporations jointly pursuant to this section for a term of five (5) years or more, which building facility or building facilities are to be acquired or constructed and erected by such lessor, shall, before commencing the acquisition or construction and erection, obtain approval of the plans and specifications therefor by the lessee or lessees and also by such other public agencies as are required to approve plans and specifications for similar building facilities acquired or constructed and erected by such lessee or lessees, and such lessor shall take bids and enter into a contract or contracts for the construction and erection of such building facility or facilities in accordance with the same procedures required by law to be followed by the lessee or lessees in the acquisition or construction and erection of similar building facilities.

(Formerly: Acts 1965, c.221, s.2.) As amended by P.L.16-1985, SEC.3.

IC 20-12-6-3

Conveyance of state land to institutions

Sec. 3. If the governing board of any corporation shall determine to locate any building facility upon real estate the title to which is now or may hereafter be in the name of the state of Indiana for the use and benefit of said corporation or the educational institution under its control, then the parcel of real estate reasonably required for such building facility may, upon request in writing by the governing board of the corporation to the governor of the state and with the approval of the governor, be conveyed by deed from the state of Indiana to the corporation. The governor shall be authorized to execute and deliver such deed in the name of the state of Indiana, signed on behalf of the state by the governor and attested by the auditor of state, with the seal of the state affixed thereto.

(Formerly: Acts 1965, c.221, s.3.)

IC 20-12-6-4

Building facilities fees or fees from students attending institution; use

Sec. 4. In order to:

- (1) provide funds with which to pay part or all of the cost of any building facility, work, act, or undertaking authorized by section 1 or 1.2 of this chapter;
- (2) pay part or all of the cost of acquiring real or personal property by purchase, lease, sublease, condemnation, trade or exchange, or otherwise as provided in section 2 of this chapter;
- (3) pay part or all of the cost of improving any of the property;
- (4) pay the principal of and interest on bonds issued under this chapter; or
- (5) perform the obligations of any joint-use agreements made under section 9 of this chapter;

the corporations may respectively, as necessary, fix, charge, and collect a building facilities fee or fees from the students attending the

educational institutions and the various divisions of the institutions and from other persons enjoying the use of the facilities of the institutions and divisions.

(Formerly: Acts 1965, c.221, s.4.) As amended by P.L.17-1987, SEC.5.

IC 20-12-6-5

Building facilities fund; source of revenue; permitted uses

Sec. 5. (a) Each corporation shall deposit to the credit of a special fund to be established and designated as the building facilities fund of the corporation or the institution under its control;

- (1) all building facilities fees collected by the corporation; and
- (2) to the extent provided or required by any resolution or trust indenture (referred to in section 7 of this chapter) adopted or approved by the governing board of the issuing corporation, all other fees, income, or funds pledged to secure the payment of bonds, and the interest thereon, issued under this chapter.

Each building facilities fund shall be used only for the purposes stated in section 4 of this chapter, and in connection with the issuance of bonds under the provisions of this chapter, the uses may be further limited by the provisions stated in the resolution or the trust indenture (referred to in section 7 of this chapter), adopted or approved by the governing board of the issuing corporation.

(b) The corporations may deposit to the credit of their respective building facilities funds, or may use for any of the purposes of this chapter without so depositing, any other funds which may be available for any of such purposes, from whatever source derived, including but not limited to:

- (1) student tuition and other fees, earnings, charges, rentals, interest on permanent endowment funds or other interest, or other income;
- (2) gifts or grants from the federal government or any federal agency or instrumentality or any public or private corporation, association, or person; and
- (3) state appropriations made specifically for any of the purposes of this chapter.

(c) The building facilities fees and such other funds as may from time to time be deposited to the credit of the respective building facilities funds are appropriated to the corporation for the uses provided in this chapter without the necessity for any future appropriations.

(d) The money in the building facilities funds may be accumulated and held by the corporations for the purposes of this chapter and invested by the corporations pending the use thereof, and interest, dividends, or gains resulting from such investments shall be credited to such funds.

(e) In the event bonds shall be issued in anticipation of the collection of building facilities fees, the issuing corporation shall fix, charge, and collect such fees in amounts sufficient, together with other available funds, to pay the interest on and the principal of

such bonds, in accordance with the terms thereof, so long as any of the bonds shall be outstanding.

(Formerly: Acts 1965, c.221, s.5.) As amended by P.L.16-1985, SEC.4.

IC 20-12-6-6

Bond issues authorized; security for bond; refunding bonds; "cost"

Sec. 6. (a) The corporations, respectively, may borrow money and evidence the loans by the issuance and sale of bonds of the respective corporations to provide funds with which to pay part or all of the cost of any building facility, work, act, or undertaking authorized by sections 1 or 1.2 of this chapter, to pay part or all of the cost of acquiring (by purchase, lease, sublease, condemnation, trade, or otherwise) or improving real or personal property under section 2 of this chapter, or to perform the obligations of any joint-use agreements made under section 9 of this chapter. The bonds and the interest on the bonds may be secured by:

- (1) pledge or mortgage of any property, real or personal, used, acquired, or to be acquired and used for the purposes of this chapter, and the improvements made or to be made on the property except that no real estate, the title to which is on or after March 10, 1965, in the name of the state for the use and benefit of the corporation or educational institution under its control shall be pledged or mortgaged until the title to the real estate has been conveyed to the corporation under section 3 of this chapter;
- (2) pledge of the building facilities fees to be collected and deposited in the building facilities fund;
- (3) subject to outstanding liens and encumbrances, pledge of general student tuition fees or any other available funds from whatever source derived which, under section 5 of this chapter, may be used for any of the purposes of this chapter, subject to any covenants, agreements, or encumbrances thereon then existing;
- (4) pledge of any other money deposited in the building facilities fund;
- (5) pledge of the proceeds of bonds issued under this chapter;
- or
- (6) any one (1) or more of the ways described in this subsection as the governing board of the issuing corporation may determine.

(b) The lien of the pledges or mortgages, to the extent of the lien, unless otherwise determined by the governing board of the corporation, shall be a first and primary lien for the payment of the bonds secured and the interest on the bonds.

(c) In authorizing the issuance of bonds for any building facility or facilities, the governing board of the issuing corporation may limit the amount of bonds that may be issued as a first lien and charge against the property, fees, income, and funds and may provide for the issuance from time to time thereafter of additional bonds secured by

the same lien to provide funds to pay the cost of acquiring, erecting, constructing, reconstructing, improving, rehabilitating, remodeling, repairing, completing, extending, enlarging, equipping, or furnishing the building facility or facilities on account of which the original bonds were issued or to provide funds to pay the cost of additional building facilities under this chapter, or both.

(d) Additional bonds shall be issued on the terms and conditions as the board may determine and may be secured equally and ratably, without preference, priority, or distinction, with the original issue of bonds or may be made junior to the original issue of bonds.

(e) The corporations may also have the power to issue bonds for the purpose of:

- (1) reimbursing the corporation for funds expended or advanced for interim financing of the cost of any building facility or facilities prior to the issuance of bonds on account thereof; or
- (2) subject to existing covenants and agreements with the holders of the outstanding obligations, funding outstanding obligations incurred or refunding outstanding bonds issued either under the provisions of this chapter or other applicable law for building facilities approved by the governor and the budget agency or its predecessor, or in part for funding or refunding purposes and in part for any other purpose authorized by this chapter, and may secure the payment of the bonds as provided in this chapter.

(f) Refunding bonds may be exchanged for the bonds being funded or refunded or may be sold and the proceeds applied to the funding or refunding.

(g) As used in this chapter, "cost" means:

- (1) all or any part of the cost of construction and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used under this chapter;
- (2) the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings or structures may be moved;
- (3) the cost of all machinery and equipment, financing charges, interest prior to, during, and for a period not exceeding one (1) year after the estimated date of completion of construction or acquisition;
- (4) reserves for debt service and for extensions, enlargements, additions, replacements, renovations, and improvements to building facilities;
- (5) cost of architectural, engineering, trustee, financial, legal, and related services;
- (6) act of underwriters;
- (7) cost of plans, specifications, studies, surveys, and estimates of cost and of revenues;
- (8) administrative expenses, expenses necessary or incident to determining the feasibility or practicability of any undertaking under this chapter; and

(9) other expenses as may be necessary or incident to the construction, acquisition, and the financing of any undertaking under this chapter.

(Formerly: Acts 1965, c.221, s.6.) As amended by P.L.16-1985, SEC.5; P.L.17-1987, SEC.6.

IC 20-12-6-7

Terms of bonds; trust indenture

Sec. 7. (a) Subject to section 17 of this chapter, bonds may be issued in an amount or amounts that do not exceed the maximum amount determined by the governing board of the issuing corporation.

(b) The bonds may be issued in the form and upon the terms and conditions, at the rate or rates of interest, and in the denominations which may be made convertible into different denominations as the governing board of the corporation may determine by the adoption of a resolution or approval of a form of trust indenture between the corporation and a designated corporate trustee, or both.

(c) The resolution or the indenture may include provisions for:

- (1) protecting and enforcing the rights and remedies of the holders of the bonds being issued;
- (2) covenants setting forth the duties of the corporation and its officers in relation to the acquisition, construction, operation, maintenance, use, and abandonment of the building facility, and insurance thereof;
- (3) the custody, safeguarding, application, and investment of all money;
- (4) the rights and remedies of the trustee and the holders of the bonds being issued;
- (5) the issuance of additional bonds as provided in the resolution or indenture; and
- (6) other terms, conditions, and covenants as the governing board of the corporation determines are proper, including provision for the establishment of a debt service reserve by:
 - (A) the use of bond proceeds or other sources;
 - (B) the furnishing of an insurance policy, surety bond, or letter of credit; or
 - (C) any combination of clause (A) or (B).

(d) The bonds shall be sold at public or negotiated sale as provided by IC 4-1-5.

(e) All bonds and the interest coupons appertaining to the bonds issued under this chapter shall be negotiable instruments within the meaning and for all purposes under the laws of this state, subject only to the provisions of the bonds for registration as to principal or as to principal and interest. Any bonds registered as to principal and interest may be made convertible to bearer bonds with coupons.

(f) No action to contest the validity of any bonds issued under this chapter shall be brought after the fifteenth day following:

- (1) the first publication of notice of the sale or intent to sell the bonds under IC 4-1-5, if the bonds are sold at public sale; or

(2) the publication one (1) time in newspapers described in IC 4-1-5-1 of notice of execution and delivery of the contract of sale for the bonds, if the bonds are sold at negotiated sale.

(g) The corporation shall publish notice under subsection (f)(2) if it sells bonds at negotiated sale within thirty (30) days of execution of the contract of sale for the bonds.

(h) The rate or rates of interest of the bonds may be fixed or variable. Variable rates shall be determined in the manner and in accordance with the procedures set forth in the resolution or indenture authorizing the issuance of the bonds. Bonds bearing a variable rate of interest may be converted to bonds bearing a fixed rate or rates of interest to the extent and in the manner set forth in the resolution or indenture pursuant to which the bonds are issued. The interest may be payable semiannually, annually, or at any other interval or intervals as may be provided in the resolution or indenture, or the interest may be compounded and paid at maturity or at any other times as specified in the resolution or indenture.

(i) The bonds may be made subject, at the option of the holders, to mandatory redemption by the corporation at the times and under the circumstances set forth in the authorizing resolution or indenture.

(j) A resolution or the indenture may contain provisions regarding the investment of money, sale, exchange, or disposal of property and the manner of authorizing and making payments, notwithstanding IC 5-13 or any general statute relating to these matters.

(Formerly: Acts 1965, c.221, s.7.) As amended by P.L.18-1983, SEC.5; P.L.16-1985, SEC.6; P.L.17-1987, SEC.7; P.L.5-1988, SEC.107.

IC 20-12-6-8

Execution of bonds and coupons; signatures and seals

Sec. 8. (a) The bonds and coupons appertaining thereto shall be executed in the name of the issuing corporation by the manual or facsimile signatures of such officer or officers of the corporation as the governing board of the corporation shall designate.

(b) One (1) signature on the obligation shall be manual and may be either the signature of one (1) of the officers or of any trustee, fiscal agent, or other fiduciary charged with authenticating the bonds.

(c) The seal or a facsimile thereof of the corporation shall be affixed, imprinted, engraved, or otherwise reproduced on each bond.

(d) In the event any officer whose manual or facsimile signature appears on any bond or coupon shall cease to be an officer before the delivery of such bonds, the officer's signature shall, nevertheless, be valid and sufficient for all purposes as if he had remained in office until such delivery.

(e) The resolution or indenture pursuant to which such bonds are issued may provide for the authentication of the bonds by the trustee, fiscal agent, or other fiduciary designated therein.

(Formerly: Acts 1965, c.221, s.8.) As amended by P.L.16-1985, SEC.7.

IC 20-12-6-8.5

Loans pending receipt of grants; notes

Sec. 8.5. (a) Any corporation that has entered into a written contract for a grant, pending the receipt of the grant, but within the limitations set forth in this section, may borrow from any person and evidence the debt by a note or a series of notes of equal or unequal amounts containing such terms and conditions as the governing board of the corporation prescribes. Any note may pledge, for the payment of the principal and interest thereof, the proceeds of the grant and any revenue that may be derived from the building facility being constructed, acquired, renovated, or improved by the proceeds of the note or notes.

(b) A loan made under this section may not exceed eighty percent (80%) of the estimated amount of the grant in anticipation of which the loan is made. Further, the corporation shall make prepayments of the outstanding balance of its note or retire one (1) or more of its series of outstanding notes promptly upon partial receipt of grant funds so that the outstanding amount of any loan made under this section does not exceed the balance of the grant funds yet to be received.

(c) The notes shall be executed in the same manner as provided for bonds in section 8 of this chapter, and the notes shall be sold in the same manner as provided for bonds in section 7 of this chapter.

(d) The governing board of the corporation shall apply the proceeds of any notes issued under this section to those items of cost for which the grant has been allocated by the granting agencies. The purchaser of any notes is not liable for any improper use of the proceeds, and the purchaser does not have to insure that the amount of the loan stays within the maximum limits as grant funds are from time to time received by the corporation.

(e) As used in this section, "grant" means any money received from the United States government or any of its agencies, the state of Indiana or any of its agencies, or from any private corporation, trust, or foundation to be used for the acquisition, improvement, renovation, or construction of building facilities that the corporation may lawfully undertake.

As added by P.L.16-1985, SEC.8.

IC 20-12-6-9

Joint-use agreements

Sec. 9. (a) It is the policy of the state of Indiana to encourage the joint use of building facilities by any two (2) or more of the educational institutions under the jurisdiction of said corporations whenever the governing boards of the respective corporations concerned shall find that such joint use would benefit their respective institutions and would be to the advantage of the state. Accordingly, when such findings are made by the governing boards of the respective corporations concerned, said corporations shall be authorized and empowered to enter into and perform agreements providing for the joint use of building facilities. Such agreements

(sometimes referred to in this chapter as "joint-use agreements") may contain such provisions, terms, and conditions pertaining to the acquisition, construction, financing, and use of building facilities, not inconsistent with the provisions of this chapter, as may be approved by said governing boards.

(b) Such joint-use agreements may provide, among other things:

(1) that any corporation which is a party thereto may lease or sublease for any term not exceeding forty (40) years any building facility acquired by said corporation or the use of which is or may be available to said corporation, or any portion thereof, to any other corporation or corporations which are parties to said agreement;

(2) that the corporations which are parties to said agreement may for the purpose of performing said agreement, exercise jointly, and said corporations are authorized and empowered for such purpose, to exercise jointly, any and all of the powers conferred upon said corporations severally by the provisions of sections 1 and 2 of this chapter including, but not limited to, the power to acquire property by condemnation; and

(3) that title to the real and personal property acquired or to be acquired for the joint use of the corporations which are parties to said agreement may be taken and held in the name of any one (1) of said corporations, subject to the provisions of said agreement respecting the joint use thereof, or that title to some or all of said real or personal property may be taken and held jointly in the names of all corporations which are parties to said agreement, as tenants in common, with such divisions of ownership interests as may be provided in said joint-use agreement and in the documents evidencing the title to said property.

(c) Each corporation which is a party to a joint-use agreement shall fix, charge, and collect its own building facilities fees, and establish, hold, invest, and use its own building facilities fund, and may use said building facilities fees and the moneys in said building facilities fund and any other available funds to pay its portion of the cost of the joint building facility as provided in the joint-use agreement, and no corporation shall have any authority or responsibility whatsoever with respect to the building facilities fees or fund of any other corporation.

(d) Nothing contained in this chapter shall be construed so as to make any corporation liable for any indebtedness, bonds, or obligations incurred, created, or issued under the authority of this chapter by any other corporation.

(Formerly: Acts 1965, c.221, s.9.) As amended by P.L.2-1988, SEC.572.

IC 20-12-6-10

Payment of indebtedness; permitted sources

Sec. 10. All indebtedness, bonds, or obligations incurred, created, or issued under the authority of this chapter shall be payable solely

out of the building facilities fund referred to in section 5 of this chapter and the property, fees, income, and funds pledged or mortgaged as authorized, and shall not be or become an indebtedness of or liability against the state of Indiana nor said respective corporations, except to the extent of the property, fees, income, and funds pledged or mortgaged as authorized.

(Formerly: Acts 1965, c.221, s.10.) As amended by P.L.2-1988, SEC.573.

IC 20-12-6-11

Tax exemptions

Sec. 11. All property acquired under authority of this chapter or used for the purposes provided for in this chapter and the income therefrom shall be exempt from all taxation in the state of Indiana, and all bonds issued under the authority given in this chapter, the interest thereon, and the proceeds thereof shall be exempt from taxation to the extent provided in IC 6-8-5.

(Formerly: Acts 1965, c.221, s.11.) As amended by P.L.2-1988, SEC.574.

IC 20-12-6-12

Bonds; eligible investments

Sec. 12. Any bonds issued pursuant to the provisions of this chapter shall be eligible investments for the funds of any kind or character of every financial institution, insurance company, or private trust, and such bonds shall be eligible for deposit by any financial institution, insurance company, or trustee under any law of this state providing for the deposit of securities or funds.

(Formerly: Acts 1965, c.221, s.12.) As amended by P.L.2-1988, SEC.575.

IC 20-12-6-13

"Bond" defined

Sec. 13. The term "bond" or "bonds" as used in this chapter means any bonds (including refunding bonds), notes, temporary, interim, or permanent certificates of indebtedness, debentures, or other obligations evidencing indebtedness for borrowed money.

(Formerly: Acts 1965, c.221, s.13.) As amended by P.L.16-1985, SEC.9.

IC 20-12-6-14

Application of chapter

Sec. 14. This chapter shall not apply to the acquisition, construction, financing, or refinancing of any revenue producing facility which the corporations are authorized to acquire, construct, or finance under the provisions of IC 20-12-8 or IC 20-12-7.

(Formerly: Acts 1965, c.221, s.14.) As amended by P.L.2-1988, SEC.576.

IC 20-12-6-15

Approval of contract by budget agency and governor

Sec. 15. (a) Contracts to:

- (1) acquire land for or to construct, purchase, lease, sublease, or otherwise acquire; or
- (2) engage architectural or engineering services in connection with;

any building facilities to be financed in whole or in part by the issuance of bonds under this chapter or by student building facilities fees charged and collected under this chapter, may not be made by a corporation without the specific approval of the budget agency and the governor.

(b) This section does not apply to any contract:

- (1) relating to a facility the cost of which does not exceed fifty thousand dollars (\$50,000); or
- (2) for architectural or engineering services relating to the planning of a facility.

(Formerly: Acts 1965, c.221, s.15.) As amended by P.L.2-1988, SEC.577; P.L.138-1988, SEC.2.

IC 20-12-6-16

Approval of bond issue by state budget committee, budget agency, and governor

Sec. 16. No bonds shall be issued by said corporations under the provisions of this chapter without the specific approval of the state budget committee, budget agency, and the governor of the state of Indiana.

(Formerly: Acts 1965, c.221, s.16.) As amended by P.L.2-1988, SEC.578.

IC 20-12-6-17

Issuance of bonds; amount; legislative authorization; sale at price below par value; qualified energy savings projects

Sec. 17. (a) Except for notes issued under section 8.5 of this chapter and except as provided in subsections (d) and (e), no bonds shall be issued for a project by the corporations under this chapter unless the general assembly:

- (1) has specifically approved the project to be financed through the issuance and sale of these bonds; and
- (2) has provided the amount of bonds which may be issued to fund the costs of acquiring, constructing, remodeling, renovating, furnishing, or equipping the specific project approved.

(b) In addition to and in connection with the amount of bonds that may be issued by a corporation for a specific project as provided in subsection (a)(2), the corporations may also issue bonds in amounts necessary to provide funds for debt service reserves, bond or reserve insurance, and other costs without additional approval by the general assembly, if these costs are incidental to the issuance of bonds for the project.

(c) The bonds, regardless of when the amount of bonds was

approved by the general assembly, may be issued in an amount not exceeding:

- (1) the amount of bonds approved by the general assembly together with the amounts described in subsection (b); plus
- (2) the amount of the discount below par value, if bonds are sold at a price below par value under IC 4-1-5-1.

(d) Bonds may be issued by a corporation without the approval of the general assembly if, after the issuance, the total amount of outstanding bonds issued by the corporation without approval will not exceed one million dollars (\$1,000,000). However, the bonds must be approved as provided in section 16 of this chapter.

(e) Bonds may be issued by a corporation without the approval of the general assembly to finance a qualified energy savings project (as defined in IC 20-12-5.5) if:

- (1) annual operating savings to a corporation arising from the implementation of a qualified energy savings project are reasonably expected to be at least equal to annual debt service requirements on bonds issued for this purpose in each fiscal year; and
- (2) the amount of bonds that may be issued by each corporation, other than refunding bonds and exclusive of costs described in subsections (b) and (c), does not exceed ten million dollars (\$10,000,000).

(Formerly: Acts 1965, c.221, s.17.) As amended by Acts 1977, P.L.250, SEC.2; P.L.18-1983, SEC.6; P.L.16-1985, SEC.10; P.L.17-1987, SEC.8; P.L.208-1995, SEC.2.

IC 20-12-6-18

Supplemental effect of chapter

Sec. 18. This chapter shall not be construed to repeal, modify, or amend any law of this state in force on March 10, 1965, but shall be deemed as supplemental thereto.

(Formerly: Acts 1965, c.221, s.18.) As amended by P.L.2-1988, SEC.579.

IC 20-12-6-19

Prior contracts validated

Sec. 19. Nothing in this chapter shall be construed to affect the validity of any contracts executed prior to March 10, 1965.

(Formerly: Acts 1965, c.221, s.19.) As amended by P.L.2-1988, SEC.580.